

HB 1073 FREQUENTLY ASKED QUESTIONS

What does House Bill 1073 do?

- HB 1073, introduced by Representative Jeff Espich, allows an eligible county to place on the ballot a local public question (in other words, hold a referendum) about whether the county should:
 - join a metropolitan transit district, and
 - contribute funding to the transit district by raising the local income tax rate by two tenths of one percent (0.2%).

Eligible counties listed in the bill are Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Morgan and Shelby Counties. The metropolitan transit district would only be formed if referenda pass in Marion County plus one eligible county adjacent to Marion. If a majority of voters vote “yes” on the referendum, the county council must vote on whether to “accept” the referendum result and approve the county joining the metropolitan transit district and implementing the tax increase.

Why is this important?

Central Indiana needs an regional mass transit system for a number of reasons.

- People – regardless of their ability to own or operate a car – need meaningful access to jobs, medical care, education and other necessities.
- A robust mass transit system positions the region to compete for top employers and talented workers against communities like Charlotte, Minneapolis and Salt Lake City that offer extensive transit systems.
- While sitting in traffic during rush hour, Indianapolis area commuters waste an average of \$506 per year on excess gasoline and lost productivity.
- Suburban areas such as Plainfield, Noblesville, Carmel, Fishers and Greenwood and need to be linked to the Indianapolis urban core by transit. A regional system will solve the problem of transit service ending at county lines.
- Transit creates jobs through design, engineering, construction, operation and maintenance of transit facilities and vehicles. An expanded transit system will promote the growth of our emerging local clean technology sector. For example, Cummins and Allison Transmission both produce hybrid electric bus components.
- The Indianapolis metro area has the 15th most polluted air in the United States. Giving people the option of using transit instead of driving will decrease air pollution and reduce fossil fuel consumption.
- Transportation and housing costs represent almost half of household expenses. Access to transit reduces individual transportation costs to put more money back into the community. A two-person household can save about \$10,000 a year by using public transportation (APTA). That’s new discretionary income.
- Development of transit infrastructure stimulates the economy. New construction of buildings, offices, commercial, and housing close to transit stations create new markets for job growth near transit investment. Transit strengthens and revitalizes neighborhoods, enhancing a vibrant regional core.

How does IndyGo compare to transit systems in comparable cities?

IndyGo’s funding and service levels are significantly below comparable cities, ranking near the bottom of the top 100 transit systems in the country. The chart below shows that Columbus, Ohio – comparable in size and demographics to Indianapolis, with a bus-only transit system – has a system twice as large as ours.

	Indianapolis	Columbus, OH
Population (urban area)	1,218,919	1,133,193
Square miles served	373	325
2012 Operating Budget	\$56.9 million	\$98.9 million
Vehicles in service at peak hours	132	241
Annual passenger miles*	36.7 million	65.7 million
Annual passenger trips*	8.8 million	17.2 million
Average weekday trips*	29,954	58,122

*2010 National Transit Database (latest operating data available)

What will the new system look like?

The initial ten-year phase of system build out is proposed for Marion and Hamilton Counties, with further expansion in surround counties. Plans for this phase would:

- Double local bus service in Marion County and add local bus service in Hamilton County, with significant reduction in average wait times.
- Create four “bus rapid transit” (BRT) corridors, featuring the latest technology in hybrid/electric vehicles, dedicated lanes and/or traffic signal prioritization, permanent stations and other technologies on key routes.
- Provide six express bus routes featuring limited stops and quick access between major economic and commercial centers, as well as circulator bus service in several communities that connects to the main transit lines.
- Begins initial rail service in the existing northeast rail corridor from Indianapolis to Noblesville, with frequent stops in Marion and Hamilton Counties; other rail corridors can be connected to this initial line at Union Station.

How much will the system cost?

- The first phase of the transit system has a total projected capital cost of \$1.3 billion, with annual operating expenses estimated at \$151 million when the system comes fully online in 2021. This is almost three times the amount IndyGo spends each year on current bus service in Marion County alone.
- Federal grant funds will cover about 46% of the \$1.3 billion in upfront capital costs. The 54% local share would be derived from current funding sources, the new revenue generated by the local income tax increase of 0.2%, and/or long term bond proceeds.
- Annual operating revenue would be broken down as follows:

Annual Operating Revenue (as of 2021)	
Public Mass Transportation Fund (state funding)	\$12.6
Local Property Tax (currently funds IndyGo)	\$21.0
New local income tax revenue	\$89.3
Passenger fares	\$27.8
Total Annual Operating Revenues	\$151.4

Can mass transit pay for itself?

- No form of public transportation “pays for itself” in the way most people think of that term. In fact, if we required all of our transportation systems to be self-supporting, we wouldn’t have the highway and interstate

system we have today, or the bus, rail and pedestrian/bike trails enjoyed by communities across the nation. In virtually every case, tickets, tolls, passes and other user fees are supplemented by tax dollars. Nationally, just over half (58%) of the cost of building and operating roads is paid for by user fees in the form of gas taxes and vehicle/license fees. In Indiana, only 53% of funding for city roads and streets, and 80% of county roads and streets, comes from user fees. The balance comes from taxes, including property taxes.

- On the other hand, from a standpoint of creating jobs and encouraging economic development, public transit more than pays for itself. The American Public Transportation Association has found that every \$1 invested in transit returns \$4 to the local economy. The Central Indiana Transit Task Force found that establishment of a robust, region-wide bus and rail transit system would improve the return on investment for central Indiana's long-term transportation plan by 41%.

Why not use a public private partnership?

- Public-private partnerships offer an innovative avenue to leverage investment creatively and rapidly. In most cases a public-private partnership is facilitated by a long-term revenue guarantee or right such as tolls, development rights, and proceeds from locally dedicated revenues.
- Public-private partnerships would certainly be used in the development of specific elements of the system and can provide ways to lower costs and transfer risk to the private sector – however, it is not an adequate source of financing for the operation and maintenance of an entire system. Even Denver, the most advanced system in the U.S. when it comes to public-private partnerships and private contracting, still required the use of public funds.

Why does this issue matter to you? To legislators?

- Everyone should be prepared with his/her own “story” about how transportation issues affect their lives and the lives of their family members, friends and colleagues.
- For legislators, virtually every district has a local transit system which is important to local mobility but is chronically underfunded by the state.

How can I get more involved?

1. Sign the petition – And tell your friends and family to do the same.
2. Gather resolutions – Ask your company and groups you belong to to pass a resolution of support for referendum-enabling legislation.
3. Volunteer – Email the Indiana Citizens Alliance for Transit (ICAT) at info@indianacat.org to learn more about transit advocacy efforts.
4. Invite CIRT or ICAT representatives to speak before your civic organization, corporate board or other groups.